

by water or air for a significant part of the year and where fuel cannot be shipped routinely by means of surface transportation either because of absolute physical constraints or because surface transportation is not practical or is prohibitively expensive.

Fuel means oil, diesel fuel, gasoline and other petroleum products, coal, and any other material that can be burned to make energy.

State entity means a department, agency, or instrumentality of any State.

Surface transportation means transportation by road, rail or pipeline.

§§ 1709.204–1709.206 [Reserved]

§ 1709.207 Eligible applicants.

Eligible applicants are restricted to State entities in existence as of November 9, 2000. Eligible State entities may partner with other entities, including other government agencies, in carrying out the programs funded by this program. Each applicant must demonstrate that it has the authority to enter into a binding agreement with the Federal Government to carry out the grant activities.

§ 1709.208 Use of grant funds.

Grant funds must be used to establish and support a revolving loan fund that facilitates cost effective fuel purchases for persons, communities, and businesses in eligible areas. Where a recipient State entity's existing program is authorized to fund multiple purposes, grant funds may only be used to the extent the recipient fund finances eligible activities.

§ 1709.209 Limitations on use of grant funds.

Not more than 4 percent of the grant award may be used for the planning and administrative expenses of the grantee.

§ 1709.210 Application process.

(a) *Applications.* The Agency will solicit applications on a competitive basis by publication of a grant announcement establishing the amount of funds available, the maximum grant award, the required application materials and where to obtain them, the

evaluation and selection criteria and weights, and application deadlines. Unless otherwise specified in the announcement, applicants must file an original application package and two copies. Where provided in the grant announcement, applicants may submit electronic applications.

(b) *Required forms.* The grant application will use the Standard Application for Federal Assistance (SF-424 series or its successor) and other forms as provided in the grant announcement. The required forms must be completed, signed and submitted by a person authorized to submit the proposal on behalf of the applicants. Where provided in the grant announcement, applicants may file electronic versions of the forms in compliance with the instructions in the grant announcement.

(c) *Narrative proposal and required elements.* Each grant application must include a narrative proposal describing the project and addressing the following elements. The form, contents, and order of the narrative proposal will be specified in the grant announcement. Additional elements may be published in the applicable grant announcement.

(1) *Executive summary.* This summary of the proposal must identify the State entity applying for the grant and the key agency contact information (telephone and fax numbers, mailing address and e-mail address). The applicant must clearly state the amount requested in this section. It should briefly describe the program, including the estimated number of potential beneficiaries in eligible areas, their estimated fuel needs, the projects and activities to be financed through the revolving fund and how the projects and activities will improve the cost effectiveness of fuel procured.

(2) *Applicant eligibility.* The application must establish that the applicant is a State entity that was in existence as of November 9, 2000, and has the legal authority to enter into a financial assistance relationship with the Federal Government to carry out the grant activities.

(3) *Assessment of needs and potential beneficiaries.* The application must provide estimates of the number, location and population of potentially eligible

areas in the State and their estimated fuel needs and costs. The section must also describe the criteria used to identify eligible areas, including the characteristics that make fuel deliveries by surface transport impossible or impracticable. The description of beneficiary communities should provide a detailed breakdown of the density profile of the area to be served by eligible projects. Indicate to what extent persons in eligible areas live outside of communities of 2,500 persons or more, communities of 5,000 or more or outside of communities of 20,000 or more. All population estimates should be based on Census Bureau data where available. All representations should be supported with exhibits such as maps, summary tables and references to official information sources.

(4) *Project description.* The application must:

(i) Describe the legal structure and staffing of the revolving fund proposal for fuel purchase support.

(ii) Identify the objectives of the project, the proposed criteria for establishing project funding eligibility and how the project is to be staffed, managed and financed.

(iii) Describe how the potential beneficiaries will be informed of the availability of revolving fund benefits to them.

(iv) Explain how the proposed revolving fund program will help provide a more cost-effective means of meeting fuel supply needs in eligible areas, encourage the adoption of financially sustainable energy practices, the adequate planning and investment in bulk fuel facility operations and maintenance and cost-effective investments in energy efficiency.

(v) If the revolving fund program is not yet operational, a proposed implementation schedule and milestones should be provided.

(5) *Demonstrated experience.* The application shall describe past accomplishments and experiences that are relevant to determine whether the applicant is capable of administering the grant project.

(6) *Budget.* The application must include a pro forma operating budget for the proposed fund and a description of all funding sources. The level of detail

must be sufficient for reviewers to determine that grant funds will be used only for eligible purposes and to determine the extent to which the program is entirely dependent on grant funding or whether it has financial support from the State or other sources.

(7) *Performance measures and project evaluation.* The application must provide unambiguous and quantifiable measures that will be used to evaluate the success and cost-effectiveness of the revolving fund in assuring adequate fuel supplies for eligible communities and for assessing the fuel supply projects financed. The grant announcement may establish additional required elements that must be addressed in the narrative proposal of the application package.

§ 1709.211 Submission of applications.

Completed applications must be submitted to RUS at the address specified in the grant announcement on or before the deadline specified in the grant announcement. Instructions for submittal of applications electronically will be established in the grant announcement. Late applications will be rejected.

§ 1709.212 Application review.

The Agency will review all applications to determine whether the applicant is eligible and whether the application is timely, complete and sufficiently responsive to the requirements set forth in the grant announcement to allow for an informed review. Failure to address any of the required evaluation criteria or to submit all required forms will disqualify the proposal. The Agency reserves the right to contact the applicant to clarify information contained in the proposal to resolve issues related to eligibility and the grant request. Applications that are timely, complete, and responsive will be forwarded for further evaluation. Applications that are late, incomplete, or non-responsive will be rejected.

§ 1709.213 Evaluation of applications.

(a) The Agency will establish one or more rating panels to review and rate the grant applications. The panels may include persons not employed by the Agency.